

Role of Cottage Industries in Rural Employment – A Geographical Study of Nyaypanchayat Patai Khalsa District Amroha



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Abstract

Rural employment and development depends on the agricultural sector and the development of industries depends on the agriculture production and consumption. Cottage industries are the bases of rural development and rural employment. Technical and non-technical workers are engaged in this sector. Cottage industries are facing have finance problems, electricity, raw materials, markets etc. problems. Service centers are very rare in the rural area and the facilities of transportation is very poor. Cottage industry is generally unorganized in character and falls under the category of small scale industry. They produce consumable products through the use of conventional methods. These types of industries originate in the country sides where unemployment and under-employment are widespread. Cottage industries in rural area face death of capital and large quantity of labour. Which force them to buy capital saving techniques.

Keywords: Cottage Industry, Employment, Rural, Labour, Development.

Introduction

Which industry is generally run at home, is known as 'cottage industry'. Cottage industry is also known as 'Domestic Industry'. Such types of industries are mainly found in rural area in a small scale. These industries provide bread to many poor workers who may not be fairly educated, but technically skilled in some particular trade. Both types of workers (literate and illiterate) are engaged in the industries. Such workers are both male and female. Without going out of doors, the women can earn a little money and thereby lessen the financial burden of the family. Women can work and can be self-dependent in cottage industries. Further, there is no conflict between the labour and the owner. So, there is no possibility of unrest. There is no corruption and no exploitation of the poor by the rich. The work is pleasant and risk less. There is no limitation of work hour for the workers in the cottage industries. M.K. Gandhi, the father of our nation, supported the cottage industries in our country and inspired the Indians to utilize manual labour.

There are various types of cottage industries in rural area. Such as hand-spinning, handicraft, fishery, poultry-farming, dairy farm, cattle-breeding, fruit-growing, honey industry, oil speller, rice speller, flour industry basket and clay-modellers etc. Many people are engaged in such industries in rural area. They maintain large farm-houses where many kinds of products are found, such as agricultural products like fruits and vegetables, dairy products like milk, butter etc. poultry products like chicken, egg etc. cattle-breeding that yields meat, skin, fur etc. of animals like sheep, goat etc.

Rural handicrafts have found good export market not only in India but also all over the world. Hand-Woven clothes and garments, woollen carpets, mats, towels, brass utensils with fine carvings designed on them, leather bags, shocks, hand-gloves and similar other articles are sold not only at home markets but also aboard. All these articles are made in a small scale in cottage industries which is situated in the villages.

Objectives of the Study

Following objectives have been selected to complete the present study–

1. To analyze the organization and pattern of cottage industries.
2. To find out the short comings of cottage industries in the study area.

3. To find out the workers structure and income of the cottage industries in the study area.

Hypothesis

Following hypothesis has been selected to complete the present study–

1. Cottage industries are the basic platform to generate the employment in the rural area.
2. Cottage industries provide regular employment in rural area.
3. Mostly female workers are engaged in the cottage industries in villages.

Data Base and Methodology

Primary and secondary data has been used to complete the present study. Primary data has been collected from the study area by using the sample method. Secondary data has been collected from the villages of data record books of the study area. Statistical methods have been used to find out the result related to the research problem.

Review of Literature

Unemployment, poverty, migration, illiteracy, regional imbalance and crime are the main causes of rural backwardness in India. Many scholars has worked related to the employment in Indian villages, now-a-days cottage industries are growing more and more in a co-operative systems. The works of Indian and aboard scholars related to the employment and cottage industries has been arranged. An attempt has been made to arrange the work related to the research problem. Rastogi (1997)¹ in his study entitled, "Employment Generation Through Small Scale Village and Cottage Industries – A Case Study in Madhya Pradesh" has also reported that it was a unique case of growing unemployment and poverty amidst plenty. Banujam (1998)² in his study entitled, "Poverty Alleviation Through Rural Industrialization" has suggested that appropriate technology should be developed to promote the rural small industries. Sarma (1998)³ in his study entitled, "Industrial Development of Andhra Pradesh – A Regional Study" has observed that the backward districts of the state improved their relative positions in terms of units of employment and capital. Agarwal (1999)⁴ has mentioned that the entrepreneurs of small scale industries are generally lacking in knowledge of various aspects as to how to set up an industry. Rajendran (1999)⁵ made a study to examine the various kinds of assistance given to small scale industries with the prime objective of identifying institutional assistance for the development of small scale industries. Himachalam (2006)⁶ in his study entitled, "Entrepreneurship Development in small Scale Sector" reveals that entrepreneurship development and small scale industrial development are the obverse and reverse of the same coin. Rama Krishna (2001)⁷ in his study entitled, "Finance for Small Scale Industries in India" has described the nature of Problems of Finance with Regard to Small Scale Industries in India. Varindar Kumar (2002)⁸ in his study entitled, "Marketing Practices in Small Scale Industries – A Study of Engineering Industry of Punjab" has studied the importance of product, pricing, promotion and distribution aspects of marketing. S.C. Jain (2003)⁹ in his work analyses the

details regarding the problem of institutional finance for small scale industries in the state of Uttar Pradesh. Parekh (2004)¹⁰ in his research work, reviews the role of financial institutions and state agencies in extending credit to small scale units and pin points their attitude of indifference in catering to the needs of the ting units. Inderjit Singh and Gupta (2005)¹¹ has worked on financing small industries. Rama Krishna (2005)¹² in his study analyses the financial assistance provided by the state in the form of direct credit towards industries, non-technical assistance in the form of external aids and credit from state financial corporation, State Bank of India and other commercial banks towards the upliftment of the small scale industry in Mumbai. Mohan Kumar (2006)¹³ examines the role played by commercial banks in general and more particularly by state towards the small scale industries in Thiruvananthapuram District. Basu (2007)¹⁴ discusses the role and probelms of small scale industries. Shetty (2008)¹⁵ has examined household manufacturing units in small towns and villages of Maharashtra. Narayanan (2008)¹⁶ has discussed in his study about the financial problems of the cottage industries. Arora (2010) examined capacity utilization, technical efficient and total factor productivity growth in Indian sugar. Kumbhar and Kumbhar (2011)¹⁷ investigated on problems and prospects of women entrepreneurs in India. Andy (2012) has studied on financing problems of SMEs. He opines that the small-medium-enterprises at present are the most dynamic part of the global economy. Joy and Kani (2013)¹⁸ worked out on the title emerging opportunities and challenges for cottage industries in India.

Study Area

Nyaypanchayat Patai Khalsa has been selected to complete the present study. It has 17 villages. It is situated in block Joya in district Amroha. It is situated among the Nyaypanchayat Sivora, Deppur and Kakrali. It has 3451 Hectare geographical area and 35475 population. It has density by 1028 person per square km. It has 50.57% total literacy, 63.59% male literary and 40.15% female literacy. It has 21.90% schedule caste population. The structure composition of working population is consists of primary, secondary and tertiary sectors. The working population of the study area is engaged 76.18% in primary sector, 18.26% in secondary and 5.56% in tertiary sectors. Agriculture is the basic occupation of the villagers.

Selected Cottage Industries

1. Handlooms (x_1)
2. Handicrafts (x_2)
3. Atta Chakki (x_3)
4. Oil Speller (x_4)
5. Rice Speller (x_5)
6. Pottery (x_6)
7. Stitching Centers (x_7)
8. Dairy Industries (x_8)
9. Honey Industries (x_9)
10. Fishing (x_{10})
11. Poultry Farming (x_{11})
12. Bakeries (x_{12})
13. Sweets Shop (x_{13})

14. Pickles Industries (x_{14})15. Basket Industries (x_{15})**Spatial Patterns of Cottage Industries In Study Area**

The Indian cottage industry is generally an unorganised sector and falls under the category of small scale industry. The industry produces

consumable products through the use of conventional methods. Such type of industries originates usually in the country side where unemployment and under employment are widespread. The pattern of cottage industries of the study area is given below in the table–

Table-1
Spatial Pattern of Cottage Industries in Nyaypanchayat Patai Khalsa (2017)

S. No.	Villages	X ₁	X ₂	X ₃	X ₄	X ₅	X ₆	X ₇	X ₈	X ₉	X ₁₀	X ₁₁	X ₁₂	X ₁₃	X ₁₄	X ₁₅	Total
1.	Patai Khalsa	5	15	36	10	20	5	15	25	8	5	9	10	20	12	18	213
2.	Barkhera Rajput	2	3	9	3	6	0	5	12	3	3	3	2	3	2	5	61
3.	Bhikanpur Mundha	1	2	6	2	4	0	3	18	2	2	2	1	2	0	3	48
4.	Fattehpur Manjra	2	2	5	2	3	0	2	16	2	1	3	1	2	0	3	44
5.	Jiwai	3	3	8	2	5	1	2	15	3	1	3	2	2	2	4	56
6.	Kanpura	3	4	9	3	5	0	3	10	3	2	3	3	3	2	5	58
7.	Mithanpur	2	3	4	1	2	2	3	16	2	1	2	1	2	1	6	48
8.	Sharifpur Manjra	1	2	3	1	2	3	2	14	2	0	2	0	1	0	2	35
9.	Chak Suratpur	2	3	1	0	1	0	1	15	0	0	2	0	0	0	1	26
10.	Nanhera Rajput	3	5	3	1	2	1	3	18	3	1	4	2	2	1	2	51
11.	Saintli	4	7	8	2	4	2	4	16	3	2	5	2	3	2	6	70
12.	Tikiya	2	3	4	2	3	0	4	12	2	1	5	2	4	2	5	51
13.	Salarpur Mafi	2	4	7	2	4	3	5	15	3	1	6	2	2	0	3	59
14.	Sinora Jalalabad	3	5	5	2	3	2	3	8	2	1	2	0	2	1	3	42
15.	Kalakhera	2	4	4	1	3	3	4	14	2	1	4	2	2	1	5	52
16.	Palaula	4	7	6	2	4	1	5	18	3	2	6	2	5	2	7	74
17.	Najarpur Rajput	1	1	2	0	1	0	2	7	0	0	1	0	1	0	2	18
Total		42	73	120	36	72	23	66	249	43	24	62	32	56	28	80	1006

Computed by the Author on the basis of primary data, 2017.

According to the above table, we find that the distribution of the cottage industries is not equal because the size of population have not equality in the study area. These industries provide employment in rural area and controlled the migration towards the city. Patai Khalsa have 213 cottage industries and Chak Suratpur have 26 cottage industries. The variation of cottage industries in the study area is very high. These industries are as Handlooms 42, Handicrafts 73, Attar Chakki 120, Oil Speller 36, Rice Speller 72, Pottery Industries 23, Stitching Centers 66, Dairy Industries 249, Honey Industries 43, Fishery 24, Poultry Farm 62, Bakeries 32, Sweets Shop 56,

Pickles Industries 28 and Baskets Industries 80 are present in the study area.

Employment in The Cottage Industries in Rural Area

Cottage industries are destined to play a significant role in the development of rural area. These industries generate employment, preservation of cultural heritage and the dispersal of industrial activity into the backward regions. Cottage industries are labour intensive and they are generating a huge number of employment opportunities. Cottage industries and the employment of the study are given in the table–

Table-2
Employment in Cottage Industries in Nyaypanchayat Patai Khalsa (2017)

S.No.	Industries	Total No. of Units	Employees		Total
			Male	Female	
1.	Handlooms	42	156	96	252
2.	Handicrafts	73	234	350	584
3.	Attar Chakki	120	240	120	360
4.	Oil Speller	36	86	58	144
5.	Rice Speller	72	138	78	216
6.	Pottary	23	76	39	115
7.	Stitching Centers	66	135	195	330
8.	Dairy Industries	249	453	792	1245
9.	Honey Industries	43	80	49	129
10.	Fishery Industries	24	95	25	120
11.	Poultry Farm	62	180	130	310
12.	Bakeries	32	168	56	224
13.	Sweets Shop	56	284	52	336
14.	Pickles Industries	28	75	93	168
15.	Baskets Industries	80	375	185	560
Total		1006	2775	2318	5093

Source- Computed by the Author on the basis of primary data, 2017.

According to the above table, we find that the total cottage industries are 1006 in the study area. There are 5093 workers engaged in the cottage industries in the study area. There are 54.49% male and 45.51% female workers engaged in the cottage industries in the study area. Dairy industries provide a large number of employment in the study area. 24.45% workers are engaged in the dairy industries. The dairy industries are flourishing in this area because of dynamic agriculture produce needed for animal food. The region is of gentles slope and fertile land encourages the fodders crops, the transport facilities are a good standard thoroughly the dairy product are easily sent to the markets. The product of needed the basic requirements of the people region.

Spatial Organization of The Cottage Industries

Cottage industries are usually the terms used for small business carried on at home involving less number of people as labourers who may or may not be the members of one family and sometimes. Such a production of manufacturing of goods involves the traditional artisans and craftsman who have inherited their work as are art form from their ancestors. These industries are generally unorganized sector and falls under the category of small scale industry spatial organization of the cottage industries of the study area is given below in the table-

Table-3
Spatial Organization of the Cottage Industries in Nyaypanchayat Patai Khalsa (2017)

Sr.No.	Cottage Industries	No. of Units	Mean Spacing	Population Dependency
1.	Handlooms	42	0.97	845
2.	Handicrafts	73	0.74	486
3.	Attar Chakki	120	0.58	296
4.	Oil Speller	36	1.05	985
5.	Rice Speller	72	0.74	493
6.	Pottary	23	1.32	1542
7.	Stitching Centers	66	0.78	538
8.	Dairy Industries	249	0.40	142
9.	Honey Industries	43	0.96	825
10.	Fishery Industries	24	1.29	1478
11.	Poultry Farm	62	0.80	572
12.	Bakeries	32	1.12	1108
13.	Sweets Shop	56	0.84	633
14.	Pickles Industries	28	1.19	1267
15.	Baskets Industries	80	0.71	443
Total		1006	0.20	35

Source- Computed by the author on the basis of primary data, 2017.

According to the above table, we find out that the spatial organization of the cottage industries is 0.20 km in the study area. Oil Speller, Pottery, Fishery, Bakeries and Pickles industries are situated more than 1 km from each other in the study area.

Handlooms, Handicrafts, Atta Chakki, Stitching Centers, Honey Industries, Poultry Farm, Sweets Shops and Pickles Industries have mean spacing from 0.50 to 1.00 km in the study area. These

industries are the backbone of the villages development.

On the basis of the raw material these industries can be divided into three parts. These

industries categories are mentioned as below in the table-

Table-4
Categorised of the Cottage Industries in Nyaypanchayat Patai Khalsa (2017)

S.No.	Category of the Cottage Industry	No. of Units	%	Workers	%
1.	Agro Based Industries	354	35.19	1484	29.14
2.	Animal Based Industries	249	24.15	1245	24.45
3.	Forest Based Industries	153	15.21	1144	22.46
4.	Other Industries	250	24.85	1220	23.95
Total		1006	100	5093	100

Source- Computed by the author on the basis of primary data, 2017.

According to the above table, we find out that the total no. of cottage industries are 1006. Agro based industries are 35.19%, animal based industries 24.75%, forest based industries 15.21% and other industries are 24.85% in the study area. Agro based industries has provided employment of 29.14% workers, in the study area. Such types of industries have first position in the reference of the employment in rural area. Animal based industries has provided employment of 24.45%, forest based industries 22.46% and other industries provide 23.95% employment in the study area.

Such types of industries development depends on the raw materials and cheap workers in rural area. These facilities are available in the rural

area in rich amount. In the study area 70% products are used by the villagers and 30% products are sent to city to earn the income. These products has developed the rural markets in the study area and create a platform of rural employment in the study area for villagers.

Income of The Workers

Both types of workers literate and illiterate work in the cottage industries. The income of the workers is not equal in the selected industries workers. Workers livelihood depends on the own cottage industries and their wages. According to the estimated income the income group is prepared which is given below in the table-

Table-4
Estimated Annual Income of the Cottage Industries Workers (2017)

S.No.	Types of Cottage Industries	Monthly Income (in Rs.)	Annual Income (in Rs.)
1.	Handlooms	4500	54000
2.	Handicrafts	5250	63000
3.	Attar Chakki	6000	72000
4.	Oil Speller	6000	72000
5.	Rice Speller	7500	90000
6.	Pottary	5400	64800
7.	Stitching Centers	7500	90000
8.	Dairy Industries	6000	72000
9.	Honey Industries	4500	54000
10.	Fishery Industries	4800	57600
11.	Poultry Farm	6000	72000
12.	Bakeries	7500	90000
13.	Sweets Shop	6000	72000
14.	Pickles Industries	4500	54000
15.	Baskets Industries	3900	46800

Computed by the Author on the basis of primary data, 2017

According to the above table, we find out that the average monthly income of the workers is 5690 Rs. and annual income is 68280 Rs. per month in the study area. Rice speller, stitching centers and bakeries provide high income of the workers. Atta Chakki, Oil Speller Dairy, Poultry and Sweets Shops are in medium income groups. These industries workers get 6000 Rs. per month income and the workers of handlooms, handicrafts, pottery, honey industries, pickles industries and baskets industries are in low income groups. These workers get monthly average income 4692 Rs. such types of workers are very labourious but they have no latest technological knowledge so their monthly income is very poor.

Conclusion

Cottage industry is generally an unorganized sector and falls under the category of small scale industry. The industry produces consumable products through the use of conventional methods. Such types of industries originates usually in the country sides where unemployment and under employment are wide spread. Cottage industries are destined to play a significant role in the economic development of the country while keeping in view the potential for employment generation, preservation of cultural heritage and the dispersal of industrial activity into the backward regions. There are 1006 cottage industries present in the study area, 35.19% agro based industries, 24.75% animal based, 15.21% forest based and 24.85% other industries which provide the

employment of 5093 workers in the study area. The worker who are worked in the cottage industry get 4692 Rs. per month income in the study area. There are engaged 45.51% female and 54.49% male workers in cottage industries in the study area. Dairy farming is developed in the study area its provide 24.45% employment in the study area. In the study area, 21.17% cottage industries are established in Patai Khalsha due to requirement of products, transportation facilities and high population density.

Suggestion

Cottage industries is facing the problem of capital shortage. The financial institutions are not ready to provide the credit at a low interest which is an obstacle to the development of cottage industries. Some suggestion are made to development the cottage industry in the rural area.

1. To develop the financial institutions.
2. Subsidy should be provided by the government to establishment the cottage industry.
3. To develop the markets for the cottage industry's products.
4. The facility of regular electricity should be provided to the rural area.
5. Transportation and communication systems should be developed in rural area.

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